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HOUSE No. 1926

The Commonwealth of Massachusetts.

BOARD OF EDUCATION.

**SPECIAL REPORT ON TEACHERS' RETIREMENT
ALLOWANCES.**

To the Honorable Senate and House of Representatives.

In accordance with chapter 47 of the Resolves of 1911, concerning the advisability of providing a retirement allowance for teachers, the Board of Education respectfully submits herewith the results of its investigations, together with recommendations.

FREDERICK P. FISH, *Chairman*,
SARAH LOUISE ARNOLD,
ELLA LYMAN CABOT,
SIMEON B. CHASE,
LEVI L. CONANT,
THOMAS B. FITZPATRICK,
FREDERICK W. HAMILTON,
PAUL H. HANUS,
CLINTON Q. RICHMOND,

Members of the Board.

I.

INTRODUCTION.

This report is made in compliance with chapter 47 of the Resolves of 1911 which reads:—

Resolved, That the board of education is hereby requested to investigate the advisability of providing a retirement allowance for teachers who have taught in the public schools of the Commonwealth for thirty-five years, and the amount and times of payment of such allowances. The board is further requested to report the result of its investigation to the general court, with such recommendations as it may deem expedient, either in its annual report or separately, not later than the fifteenth day of January, nineteen hundred and thirteen.

The Commissioner of Education was directed to make the necessary investigations and submit the materials for this report. In this work he was aided by Charles A. Prosser, formerly deputy commissioner of the Board, and W. I. Hamilton, agent of the Board.

Consideration has been given to legislation already enacted in Massachusetts relating to teachers' pensions and annuities. The experience of other States and of foreign countries has been taken into account. Statistical data as to the age, salary, training and terms of service within the State and without the State have been secured for almost all the teachers of Massachusetts. Conferences have been held with representatives of teachers' organizations and with others interested with a view to procuring suggestions as to the principles and aims to be kept in view in making recommendations relative to retirement allowances for teachers.

Existing legislation providing for the payment of retiring allowances to the employees of the Commonwealth has been examined and also the statute permitting towns and cities to provide for the retirement of municipal employees. Helpful suggestions in this connection have been received from F. Spencer Baldwin.

It became apparent, early in the inquiry, that the provision for retirement allowances for public school teachers who are now in service involves certain considerations not pertinent in the case of those persons who may hereafter become teachers.

In the case of the latter, provision might easily be made for their compulsory participation in a retirement plan involving con-

tributions from their salaries. In the case of teachers already in the service, the extent to which it would be advisable or just to insist on compulsory participation is not clear. Provision for compulsory certification might justly be required of teachers yet to enter the service; whereas, for some teachers who have already been employed such a provision might operate as an undue hardship. A number of teachers now in the service are members of retirement associations maintained in whole or in part by public funds. They have thus accrued interests in prospective retirement allowances which should not be disturbed, except at their own wish. Teachers hereafter entering the service could without hardship be required to become members of a State retirement system and could be debarred from securing membership in other retirement associations aided by public funds.

¶ Of teachers now in service there is obviously more than one class, as considered with reference to participation in a retirement system. Teachers under thirty years of age could, if they elected to become members, make the contributions necessary to full participation in retiring allowances on substantially the same terms as might be required of teachers hereafter entering the service. Where teachers are upward of thirty years of age modifications would probably be necessary in the application of the principle of contribution. A limited number of teachers who are upward of sixty years of age are in the service of the Massachusetts public schools, and these also constitute a class by themselves. Of these teachers little could probably be expected in the way of contributions towards a system of retiring allowances.

As a result of the foregoing considerations the Board has found it expedient and desirable to submit recommendations separately as regards each of the classes discussed. In order to make possible a full consideration of the principles underlying a desirable policy of providing retirement allowances for teachers, the Board submits in detail recommendations relative to a retirement system which is designed to be compulsory upon teachers entering the service of the public schools of the Commonwealth after a stated date. With reference to teachers now in the service, the Board also submits for consideration a variety of suggestions and recommendations which should, in the opinion of the Board, receive attention after the fundamental principles embodied in the first recom-

mendations shall have been carefully scrutinized. The Board is prepared when called upon to submit such bills as may be desired in connection with each of the classes under consideration.

The following are in brief the findings and recommendations of the Board:—

I. The enactment of legislation providing for the payment of retirement allowances to public school teachers after specified terms of service would tend, in the opinion of the Board, to promote the efficiency of the teaching force of the public schools and to improve public education for the following reasons: (a) persons of superior ability would be encouraged to enter, and to remain in, the profession of teaching; (b) teachers during their terms of service would have a greater feeling of security with regard to the future; (c) school authorities would be enabled to retire without hardship teachers who, on account of age, had become incapacitated.

II. The Board, therefore, recommends the enactment of legislation establishing an old-age retirement system for teachers in publicly supported schools, membership in which shall be compulsory upon all persons who shall, after July 1, 1914, begin to teach in schools supported by public taxation, and membership in which shall be voluntary for teachers now in service.

III. Teachers in the public schools and schools established under the provisions of chapter 471 of the Acts of 1911, are technically the employees of the towns and cities in which they teach, but in many respects their services may be regarded as being rendered to the Commonwealth as a whole, since educational standards are in general prescribed by State laws and because the Board of Education is authorized in part to supervise such education and to promote its efficiency. Public education is, in large degree, the concern of the Commonwealth as a whole. Local retirement systems are not, and, in the opinion of the Board, cannot be effective except in large cities. The Board is of the opinion that an adequate retirement system for the public school teachers of Massachusetts should necessarily operate uniformly throughout the State as a whole. For these reasons it is expedient and desirable that the cost of maintaining a retirement system for teachers should be met in part out of the State treasury. Such a retirement system should, furthermore, be administered under the supervision of the Commonwealth.

IV. A retirement system, designed to advance the efficiency of teaching, while at the same time preserving to the utmost as far as possible the self-respect on the part of those participating therein, should be supported in part by contributions from the prospective beneficiaries. Such a system then becomes in effect a form of compulsory insurance against loss of earning power due to old age, towards the cost of which the State makes partial contributions. The Board, therefore, recommends that in any legislation providing for retirement allowances for teachers there be included a provision to the effect that from the salaries of teachers who are to benefit from such allowances there shall regularly be deducted such a percentage as will provide substantially one-half the retirement allowances called for.

II.

GENERAL CONSIDERATIONS.

The meaning of the phrases "retirement system" and "retirement allowance" is already familiar to the citizens of Massachusetts. Pension systems had been established by law for various classes of State and municipal employees before general legislation was enacted establishing a retirement system for all State employees not already provided for (chapter 532 of the Acts of 1911). Towns and cities are also permitted to adopt general retirement systems for their employees (chapter 619, Acts of 1910, and chapter 338, Acts of 1911).

The payment of pensions constitutes the oldest and best known form of providing for the support of public employees obliged to withdraw from active service. It is customary in many countries to retire soldiers, firemen and other classes of civil and military employees with pensions. In the continental countries of Europe teachers have long been among those eligible for pensions.

The cost of a pension, strictly so called, is met entirely by the State or other employing authority. The beneficiary makes no direct contribution towards it, when many classes of public employees are enabled by legislation to share in it. The cost of a pension system to the State becomes, therefore, very great. It is also believed that in many cases the fact that an employee is certain to receive a pension on retirement from active service tends to develop a disposition to neglect the making or proper provision for the future out of his own earnings.

Because of a recognition of these conditions a more comprehensive plan of providing for the retirement of superannuated or disabled employees, public and private, which at the same time promotes thrift and the maximum self-respect on the part of such employees, has been developed in recent years, especially in Germany, France, England and in some American States. The various measures designed to accomplish the purposes here described are comprehended under the term "social insurance."

The principles of social insurance are substantially these: by means of State legislation and under State administration, or at least supervision, designated classes of persons are required to insure themselves against loss or decrease of earning power due to age, accident, invalidity or other similar contingencies. The person insured is required to make contributions in amounts varying according to circumstances towards meeting the cost of this insurance; and he also shares in a measure in the administration of the funds established for that purpose. That part of the cost of the insurance which is not met by the contribution of those insured is usually provided by the State and by the employing authority in shares varying according to conditions existing in the employment.

The general act (chapter 532 of the Acts of 1911), making provision for the retirement of Massachusetts State employees, embodies the principles of social insurance. State employees not already in receipt of pensions are required to form an association in which membership is voluntary for those in the service at a specified date, but compulsory on all those entering such service after that date. All members of the association are required to contribute stated percentages of their salaries towards the support of the retirement system. To the sums earned by the contributions of employees the State adds an equal amount, thus making suitable retirement allowances for those who become superannuated. The retirement association and the State share in the administration of the system thus established.

The question as to whether teachers in the public schools should be enabled to receive retirement allowances has been long before the public. As already noted, public school teachers in continental European countries have for many years received pensions or retiring allowances on much the same basis as other civil em-

ployees. Twenty States in America now have legislative provisions of some sort permitting or requiring the payment of retiring allowances to teachers. Five States — Rhode Island, New York, New Jersey, Maryland and Virginia — have such pension systems applying uniformly to all teachers in public schools; in the others, certain cities only have made such provision as is the case in Massachusetts (see Appendices C and D).

There exist many reasons for believing that a properly safeguarded retirement system for teachers operates to improve the efficiency of the teaching service. The salaries paid teachers are not large, as a rule, and teachers have few opportunities to make investments which are safe and profitable. School committees often find it difficult to retire aged teachers, who have obviously become unable to render effective service, because they have inadequate means of self-support.

It is probable that the existence of a retirement system for teachers would have the effect of inducing many persons to enter the service of the public schools and to remain permanently in the work who are now deterred by the prospect of being unable to make suitable provision in that calling for old age. It is well known that the percentage of men in the public school service is constantly diminishing, — in Massachusetts less than 8 per cent. of all the persons engaged in public school teaching or supervision are men. Many men who follow teaching for a few years, or who might be disposed to find here a career, and who are well suited by temperament, native ability and training for the work, seek other lines of employment in the belief and expectation that the monetary returns in these will be sufficient to enable them to retire with a competence sufficient for the needs of old age. Men of the character here described are not often disposed or able to give the close and prolonged attention to financial matters required, if a small income is to be so invested as to yield a safe and fairly profitable return. But if the future were measurably assured, it is possible that many of these would render excellent service in education.

Again, many teachers are, under present conditions, unable to render the best service of which they are capable because of apprehensions regarding the future. This statement applies with especial force to women teachers who are earning salaries only

large enough to meet their daily needs. It is highly probable that one effect of a general retirement system would be to give these persons greater confidence in the future and thus to stimulate them to better work and a more active interest in self-improvement.

Legislation was enacted many years ago in Massachusetts, making possible the existence of teachers' annuity guilds. By special acts certain cities have been enabled to contribute towards teachers' retirement systems, and, under stated conditions, to retire teachers. In 1908 a general law was enacted permitting towns and cities under certain specified conditions to retire superannuated teachers.

But outside of the city of Boston the legislation here described has had, as yet, comparatively little effect. Few towns or cities have taken advantage of the provisions of chapter 498 of the Acts of 1908, asserting that their financial resources are insufficient for this purpose. Teachers' annuity guilds, while serving a very useful purpose in making provision for systematic saving among teachers, are not popular with younger teachers, many of whom do not contemplate making of teaching a life-career.

The demand for a State-wide retirement system for teachers of the public schools has grown steadily, and a large number of citizens are convinced that the establishment of such a system would be consistent with the other efforts of the State to promote a sound policy of public education. The Board of Education is convinced that the time has arrived when the Legislature should give the entire subject careful consideration. It is obvious that the establishment of a retirement system will ultimately require on the part of the State or of the local community substantial expenditures for its support. Such expenditure should be regarded as a part of the necessary cost of an adequate system of public education.

A careful examination of the methods and results of providing retirement allowances for teachers in other States and countries, and of the conditions peculiar to Massachusetts, leads the Board to the conclusion that if general legislation is to be enacted providing for the payment by the State or local community of retirement allowances to superannuated teachers, such legislation

should be based on the general principles of social insurance as given effect in the act providing retirement allowances for State employees.

Furthermore, although, strictly speaking, teachers are the employees of the local community rather than of the Commonwealth, conditions exist which render it desirable and necessary that provision should be made whereby contributions shall be made from the treasury of the Commonwealth towards meeting in part the cost of any teachers' retirement system that may be established.

In the event of the enactment of legislation looking to the establishment of a State-wide retirement system for teachers, the Board recommends that such legislation be based upon the following principles: —

1. A retirement association should be created by law, to be composed of all teachers or others required or electing as prescribed to share in the obligations and benefits of the State retirement system. Membership in this association should be obligatory upon all teachers beginning work in the public schools of Massachusetts after a stated date, and should be optional in the case of all teachers who, prior to that date, shall have been engaged in teaching in the public schools.

2. Members of the retirement association who have reached a stated age should be eligible to retire and to receive the full retirement allowance to which in each case their contributions entitle them; and school committees should be empowered similarly to retire members who shall have reached a specified age.

3. The expense of providing retirement allowances for teachers should be shared in equal proportions by the State and by the members of the retirement association, the State making annual contributions for this purpose when necessary, and the members of the retirement association being assessed a fixed percentage of their salaries. Provision should be made for minimum and maximum limits on the contributions of members.

4. Members of the retirement association withdrawing from public school service, before becoming eligible for a retirement allowance, should be enabled to receive from the retirement fund an amount equal to their total contributions, increased by interest on the same at a stated rate.

5. Members of the retirement association should not be allowed to be members of any other retirement system supported in whole or in part by funds raised by means of taxation.

If a comprehensive system of providing retirement allowances for superannuated teachers is to be provided under the conditions which prevail in Massachusetts, it is necessary that the State should establish and, through properly constituted authorities, administer such a system. The most effective means for this purpose are to be found in the creation of a retirement association composed of all persons eligible to share in the benefits and the responsibilities of the retirement act. Through this association the necessary machinery of administration may be established. The precedent already existing in the retirement system for State employees appears to be satisfactory in this regard.

It requires no argument to prove that teachers who have become old in the service ultimately reach a point where they can no longer do efficient work in teaching the young. This age varies with individuals. Experience proves that it is desirable and expedient to allow persons eligible to receive retirement allowances to retire at a specified age. The interest of the service of the public schools also requires that school committees should be enabled to order the retirement of teachers at a somewhat later age, which would probably be uniform throughout the service. The principle of dividing the cost of maintaining social insurance between the beneficiary and the employing authority is already well established. The proportions here given are those fixed in the retirement act for State employees. The Board regards this as in accordance with sound policy.

The question as to whether the State or the local community should make contributions on behalf of the employing authority is open to debate. The Board believes that under the conditions which exist in Massachusetts it is desirable and necessary that such contributions should be made by the State. A variety of difficult questions of administration and law are involved in any plan requiring that local communities shall make contributions to a State retirement fund, with which it would be difficult to deal.

In all public service where contributions are required from employees, experience justifies the policy of returning such con-

tributions with interest to an employee who withdraws from the service and ceases to be eligible to receive the retirement allowance. In the case of teachers this is peculiarly necessary, since so large a percentage of them withdraw from the service to take up other forms of work before reaching the age at which participation in the retirement allowance becomes possible.

The teachers of Boston and those in a few other towns or cities of the State are already members of retirement systems assisted in part or in whole by public funds. Provision should be made whereby such teachers electing to join the State retirement association should waive the accumulation of further benefits or rights in local retirement systems. Teachers hereafter entering the service should not be allowed to connect themselves with other retirement associations assisted by public funds. The wisdom of this policy needs no argument.

III.

ESSENTIAL PRINCIPLES.

The following are the essential features of a proposed act (see Appendix A) providing for the establishment of retirement allowances for teachers beginning service in the public schools after July 1, 1914 (definitions of terms used are given in the bill).

I. Organization.

Persons eligible and required to share in the benefits and responsibilities of this act shall constitute a retirement association. This association shall annually elect a representative to the State Teachers' Retirement Fund Board (hereafter known as the Retirement Board).

II. Membership.

All teachers in schools supported in whole or in part by local taxation (including principals, supervisors, superintendents and others) who shall begin to teach in such schools on or after July 1, 1914, and who are under thirty years of age, are required to be members of the retirement association and to make the prescribed contributions thereto.

III. Administration.

There is constituted a State Teachers' Retirement Fund Board (hereafter known as the Retirement Board) of seven members.

(a) Three of these shall be the State Commissioner of Insurance, the State Commissioner of Banking and the State Commissioner of Education.

(b) Three members of this Board shall be elected by the retirement association for terms of three years in accordance with a plan to be prepared by the State Commissioner of Insurance, the State Commissioner of Banking and the State Commissioner of Education.

(c) The seventh member of the association shall be elected annually by the other six members.

(d) Members of the Retirement Board shall receive no compensation; necessary expenses and loss of salary due to service on the Board shall be met from the expense fund of the Board.

IV. Duties of the Retirement Board.

- (a) To elect a secretary at a salary.
- (b) To execute the provisions of this act.
- (c) To make necessary reports.

V. Retirement of Teachers.

(a) *Conditions of Voluntary Retirement.* — In order to be eligible for voluntary retirement a member of the association shall (1) be at least sixty-five years of age; (2) have taught for thirty years in the public schools of Massachusetts; (3) and shall have made thirty or more annual payments, as required by this act towards the provision of an annuity.

(b) *Conditions of Compulsory Retirement by School Committees.* — School committees may compel the retirement of teachers who have fulfilled the requirements for voluntary retirement and are members of the association.

(c) *Conditions for General Compulsory Retirement.* — A member of the association must retire from public school teaching on reaching the age of sixty-five years, if a woman, and seventy years if a man.

VI. Retirement Allowances to be paid by the Retirement Board.

The retirement allowance to be paid annually during his lifetime to each member of the association after retirement shall consist of two parts, — the annuity and the pension.

(a) The annuity shall be such an annuity as can be purchased by the amount representing the contributions of the member — together with accumulated interest thereon — at the time of retirement, said amount and said annuity to be determined by the Retirement Board. (b) The pension shall be equal in amount to the annuity.

VII. Assessments on Salaries of Members.

To provide for the annuities required in the act, each member of the association shall, in a manner prescribed by the Retirement Board, be required to contribute a stated percentage of his salary; the rate of contribution to be determined from time to time by the Retirement Board and to be uniform for all members, but at no time to be less than 3 per cent. nor more than 7 per cent., with the further proviso, however, that no annual contribution shall be less than \$35 nor more than \$100.

VIII. Refund.

A member of the association resigning from service in the public schools before becoming eligible to the retirement allowance shall be entitled to a refund of his contributions, together with regular interest thereon.

IX. Bequest.

When a member of the retirement association dies before becoming eligible for a retirement allowance his heirs shall be entitled to the amount of said member's contributions at the time of his death, together with interest thereon.

X. Reinstatement.

Members of the association who shall have retired from the association and who shall have withdrawn their contributions shall be eligible for reinstatement on paying to the Retirement Board, in a manner to be determined by that Board, an amount equal to the sum withdrawn.

XI. Expense of Administration.

The expense necessary to the administration of this act (exclusive of the payment of retirement allowances) shall be met from appropriations for this purpose made annually by the Legislature on the basis of estimates furnished by the Retirement Board.

XII. Expenditures for Annuities.

The expenditures for the annuities provided for in this act shall be met from the deposit reserve fund composed of the contributions of members of retirement association, legacies, gifts and other receipts, together with interest thereon.

XIII. Expenditures for Pensions.

The expenditures for pensions called for by this act shall be met from appropriations for this purpose made annually by the Legislature on the basis of estimates furnished by the Retirement Board.

XIV. Custody of Funds.

All funds held subject to the order of the Retirement Board shall be kept in the custody of the Treasurer of the Commonwealth. He shall invest, subject to the approval of the Retirement Board, so much of such portions of such funds as is deemed expedient, and shall make such investments in accordance with the requirements of the laws relating to savings bank investments.

XV. Taxation, etc.

(a) Funds held subject to the direction of the Retirement Board and invested in personal property shall be exempt from taxation.
(b) Equities in the deposit reserve fund shall be exempt from taxation, assignment, insolvency, etc.

XVI. Duties of School Committees.

School committees shall, as directed by the Retirement Board make deductions from the salaries of teachers in their employ to meet the assessments required by this act.

XVII. Duties of Town or City Treasurer.

The treasurer of any town or city shall transmit to the Board of Retirement the amounts deducted by school committees under the provisions of this act.

XVIII. Repeal.

All acts or parts of acts providing for the payment of retirement allowances to teachers out of the proceeds of money raised by local taxation in cities or towns are hereby repealed, in so far as they apply to the teachers designated by this act.

IV.

ADDITIONAL PROVISIONS FOR OTHER CLASSES OF TEACHERS.

Teachers not included in the provisions of the proposed act (as given in Appendix A and analyzed above) may be divided into the following classes from the point of view of a teachers' retirement system:—

(a) Those under thirty years of age at the time such system goes into operation and who have already begun work in the public schools.

(b) Those already in service who are over thirty years of age and under sixty years of age at the time that the act takes effect.

(c) Those already in service who are over sixty years of age at the time the act takes effect.

(d) All teachers, a portion of whose service has been in schools outside the State, or who shall have entered the service for the first time after thirty years of age.

In order that the general act herein proposed for teachers hereafter entering service and under thirty years of age might be extended so as to be applicable to the other classes of teachers described above, while at the same time conforming as far as possible to the general principles approved in this report, the following modifications and additions would, among others, be necessary:—

1. In order that teachers in service and under thirty years of age could be included, a section should be added providing for vol-

untary membership in the retirement association of such teachers as should elect it, providing such teachers should waive any rights that might have accrued in other retirement associations supported by public funds.

2. In order that teachers already in service and over thirty years and under sixty years of age could be included, there should be added sections providing:—

(a) For voluntary membership in the retirement association.

(b) Waiver of rights accrued in other associations supported in whole or in part by public funds.

(c) For determining the number of years during which such member must make contributions to the annuity fund before becoming eligible to an annuity.

(d) For minimum pensions based on (1) service to be rendered after assuming membership; (2) service already rendered prior to assuming membership.

3. In order that teachers already in the service and over sixty years of age might be included, sections should be added, providing for —

(a) Voluntary membership in the retirement association.

(b) Waiver of accrued rights in other associations supported in whole or in part by public funds.

(c) Determining the number of assessments before eligibility to retirement allowance is secured.

(d) Fixing the minimum pension.

4. Expediency requires that adequate provision should be made for recognition of service outside the State as contributing to eligibility. Provision should also be made whereby persons becoming teachers in the public schools, after the age of thirty, should be in some form eligible to membership in the retirement association.

If desired by the Legislature or committees thereof, the Board is prepared to submit bills containing modifications and additions suggested above.

V.

PROBABLE COST TO THE COMMONWEALTH OF A COMPLETE SYSTEM OF PENSIONS (\$150 EACH) FOR THE TEACHERS OF MASSACHUSETTS.

I. Subject to the elements of uncertainty and to the assumptions discussed below, it may be roughly estimated that the probable cost to the State of providing for every teacher reaching the age of sixty a pension of \$150 a year would be, for the periods indicated, as follows:—

(a) For the period 1914–20 an average of not less than \$75,000 per year nor more than \$120,000 per year.

1. For 394 teachers now in service and over sixty years of age an average of \$60,000 per year.

2. For 410 teachers now in service and ranging in age from fifty-six to sixty years, an average of \$41,000 per year.

These estimates are based on the returns shown in Appendix E.

(b) For the period 1920–30 an average of not less than \$150,000 per year nor more than \$300,000 per year.

(c) For the period 1930–50 not less than \$250,000 per year nor more than \$400,000 per year.

II. To obtain the above rough approximations of probable cost to the State, exclusive of the expenses of administration, of the system of pensions for teachers, the following assumptions are made:—

(a) That all teachers would elect to become members of the retirement association and so, if remaining to the age of sixty, eligible to pension.

Obviously, this estimate is excessive. Approximately one-third of the teachers of Massachusetts are now members of retirement associations from which they would doubtless not resign. Furthermore, young teachers now in the service would in many instances at least refuse to become members, and assume the obligation of paying contributions.

(b) That the proportion of teachers remaining in the profession until eligible for retirement would remain substantially as at present.

Of 14,570 teachers now in the service of the schools of the State, submitting data, approximately 8 per cent. were from fifty-one to

sixty years of age; 17 per cent. from forty-one to fifty years of age; 30 per cent. from thirty-one to forty; and 43 per cent. under thirty years of age. In addition to these, 249 were from sixty-one to sixty-five years of age; 117 from sixty-six to seventy years of age and 28 from seventy-one years of age. Of the teachers under sixty years of age it is assumed that approximately 1 per cent. would annually become eligible for a retirement allowance, having reached sixty years of age.

(c) That all teachers reaching the age of sixty would retire at that age.

(d) That the life expectancy of teachers at sixty years of age is the same as that for all classes of people at that age, namely, 13.4 years.

III. It is obviously impossible to estimate with any degree of accuracy the probable cost to the Commonwealth of a complete retirement system, involving the principle of contribution and including all classes of teachers, for the following, among other reasons:—

(a) Membership in a retirement association would of necessity be voluntary for all classes of teachers except those hereafter entering the service. It is impossible to estimate the number of teachers who would elect to assume the obligations of such a retirement system as that proposed in this report.

1. About one-third of the teachers of the State, including those in Boston, are now members of local retirement systems which, it is asserted, are more favorable to members than the one herein proposed.

2. Young teachers are frequently indifferent to the provision of retirement allowances, and are unwilling to pay the assessments that might be required for an annuity fund.

(b) The rate of assessment, as fixed by the Retirement Board, would determine, subject to the minimum amount of the annuity, in the case of teachers making thirty or more payments, the amount of the pension to be paid by the State.

1. The minimum annual assessment suggested in the report is \$35, since calculations show that such an assessment paid for thirty years, the proceeds being invested at compound interest at 3 per cent. would purchase for a teacher retiring at the age of sixty an annuity of about \$150; life expectancy being based on

currently accepted mortality tables at 13.4 years for a person sixty years of age.

2. The Board has made no recommendations as to the amount of pension which should be paid to teachers who cannot be expected, on account of their age, to make thirty annual payments to the annuity fund.



APPENDICES.

- A. — PROPOSED ACT PROVIDING RETIREMENT ALLOWANCES FOR TEACHERS ENTERING THE SERVICE AFTER JULY 1, 1914.
- B. — TABLES SHOWING PENSIONS PAID TO TEACHERS IN THE ELEMENTARY AND SECONDARY SCHOOLS IN EUROPEAN COUNTRIES. (BASED ON REPORTS MADE BY THE BUREAU OF EDUCATION, WASHINGTON.)
- C. — COMPARATIVE TABLES OF STATE COMPULSORY INSURANCE SYSTEMS FOR TEACHERS IN THE UNITED STATES.
- D. — TABLE ANALYZING TEACHERS' RETIREMENT SYSTEMS IN VARIOUS STATES OF THE UNION.
- E. — TABLES ARRANGED TO SHOW NUMBER OF TEACHERS UNDER VARIOUS AGE AND SALARY GROUPINGS IN MASSACHUSETTS JUNE, 1911.
 - TABLE 1. WHOLE STATE.
 - TABLE 2. BOSTON.
 - TABLE 3. CITIES OUTSIDE BOSTON.
 - TABLE 4. TOWNS OF 5,000 INHABITANTS AND UPWARDS.
 - TABLE 5. TOWNS OF LESS THAN 5,000 INHABITANTS.
- F. — DESCRIPTION OF THE RETIREMENT SYSTEM FOR MASSACHUSETTS STATE EMPLOYEES. (FROM A DOCUMENT PUBLISHED BY THE STATE TREASURER.)

APPENDIX A.

AN ACT TO ESTABLISH A RETIREMENT SYSTEM FOR TEACHERS.

Be it enacted, etc., as follows:

CONSTRUCTION.

- 1 SECTION 1. The following words and phrases as used in this
2 act, unless a different meaning is plainly required by the context,
3 shall have the following meanings:—
 - 4 (1) "Retirement system" shall mean the arrangement pro-
5 vided in this act for payment of annuities and pensions to teachers.
 - 6 (2) "Annuities" shall mean payments for life derived from
7 contributions from teachers.
 - 8 (3) "Pensions" shall mean payments for life derived from
9 contributions from the commonwealth.
 - 10 (4) "Teacher" shall mean any teacher, principal, supervisor
11 or superintendent employed by a school committee or board of
12 trustees in a day public school within the commonwealth.
 - 13 (5) "Public school" shall mean any day school conducted
14 within this commonwealth under the order and superintendence
15 of a duly elected school committee and also any day school con-
16 ducted under the provisions of chapter four hundred and seventy-
17 one of the acts of the year nineteen hundred and eleven.
 - 18 (6) "Regular interest" shall mean interest at three per cent.
19 per annum, compounded annually on the last day of December
20 of each year.
 - 21 (7) "Retirement board" shall mean the teachers' retirement
22 board, as provided in section four of this act.
 - 23 (8) "Retirement association" shall mean the teachers' retire-
24 ment association, as provided in section three of this act.
 - 25 (9) "Expense fund" shall mean the fund provided for in para-
26 graph numbered one in section five of this act.
 - 27 (10) "Annuity fund" shall mean the fund provided for in
28 paragraph numbered two in section five of this act.
 - 29 (11) "Pension fund" shall mean the fund provided for in para-
30 graph numbered three in section five of this act.

31 (12) "School year" shall mean the twelve months from the
32 first day of July of any year to the thirtieth day of June next
33 succeeding.

34 (13) "Assessments" shall mean the annual payments to the
35 annuity fund by members of the association.

ESTABLISHMENT OF A TEACHERS' RETIREMENT SYSTEM.

1 SECTION 2. A teachers' retirement system shall be established
2 on the first day of July, nineteen hundred and fourteen.

TEACHERS' RETIREMENT ASSOCIATION.

1 SECTION 3. A teachers' retirement association shall be organ-
2 ized among the teachers in the public schools as follows:—

3 All teachers not over thirty years of age who enter the service
4 of the public schools for the first time on or after July first, nine-
5 teen hundred and fourteen, shall become thereby members of the
6 association.

STATE TEACHERS' RETIREMENT BOARD.

1 SECTION 4. (1) The management of the retirement system
2 is hereby vested in the teachers' retirement board consisting of
3 seven members; the insurance commissioner for the common-
4 wealth, the bank commissioner for the commonwealth, the com-
5 missioner of education for the commonwealth, three members
6 of the retirement association and one other person. Upon organ-
7 ization of the retirement association the members thereof shall
8 elect from among their number in a manner to be approved by
9 the insurance commissioner, the bank commissioner and the
10 commissioner of education, three persons to serve upon the retire-
11 ment board, one member to serve for one year, one for two years
12 and one for three years, and thereafter the members of the retire-
13 ment association shall elect annually from among their number
14 in a manner to be approved by the retirement board one person
15 to serve upon the retirement board for the term of three years.
16 The seventh member of the retirement board shall be elected
17 annually by the other six to serve for the term of one year. On
18 a vacancy occurring on the board, a successor of such person
19 whose place has become vacant shall be chosen in the same man-
20 ner as his predecessor to serve until the next annual election.
21 Until the organization of the retirement association and the elec-
22 tion of three representatives therefrom, the insurance commis-
23 sioner, the bank commissioner and the commissioner of education
24 shall be empowered to perform the duties of the retirement board.

25 (2) The members of the retirement board shall serve without
26 compensation, but they shall be reimbursed from the expense
27 fund of the retirement association for any expenditures or loss
28 of salary or wages which they may incur through serving on the
29 board. All claims for reimbursement on this account shall be
30 subject to the approval of the governor and council.

31 (3) The retirement board shall have power to make by-laws
32 and regulations not inconsistent with the provisions of this act;
33 and to employ a secretary and clerical and other assistance.

34 (4) The retirement board shall provide for the collection and
35 deposit of the assessments provided for in this act; and for the
36 payment of retirement allowances and such other expenditures
37 as are required by the provisions of this act.

38 (5) The retirement board shall adopt for the retirement system
39 one or more mortality tables and shall determine what rates of
40 interest shall be established in connection with such tables and
41 may later modify such tables or prescribe other tables to repre-
42 sent more accurately the expense of the retirement system or may
43 change such rates of interest and may determine the application
44 of the changes made.

45 (6) The retirement board shall perform such other functions
46 as are required for the execution of the provisions of this act.

CREATION OF FUNDS.

1 SECTION 5. The funds of the retirement system shall con-
2 sist of an expense fund, an annuity fund and a pension fund.

3 (1) The expense fund shall consist of such amounts as shall
4 be appropriated by the general court from year to year on esti-
5 mates submitted by the retirement board to defray the expense
6 of the administration of this act, exclusive of the payment of
7 retirement allowances.

8 (2) The annuity fund shall consist of assessments paid by mem-
9 bers of the retirement association, and interest derived from
10 investments of the annuity fund. Each member of the retire-
11 ment association shall pay into the annuity fund, by deduction
12 from his salary in the manner provided in section nine, paragraph
13 five, of this act, such assessments upon his salary as may be de-
14 termined by the retirement board. The rate of assessment shall
15 be established by the retirement board on the first day of July
16 of each year after at least three months' notice, and shall at any
17 given time be uniform for all members of the retirement associa-
18 tion, and shall not be less than three per cent. nor more than

19 seven per cent. of the member's salary: *provided, however,* that
20 when the total sum of assessments on the salary of any member
21 at the rate established by the retirement board would amount
22 to more than one hundred dollars or less than thirty-five dollars
23 for any school year, such member shall in lieu of assessments at
24 the regular rate be assessed one hundred dollars a year or thirty-
25 five dollars a year as the case may be, payable in equal instal-
26 ments to be assessed for the number of months during which the
27 schools of the community in which such member is employed
28 are commonly in session.

29 Any member of the retirement association who shall for thirty
30 years have paid regular assessments to the annuity fund as pro-
31 vided herein, shall be exempt from further assessments; but
32 such member may thereafter, if he so elects, continue to pay his
33 assessments to the fund.

34 (3) The pension fund shall consist of such amounts as shall
35 be appropriated by the general court from time to time on esti-
36 mates submitted by the retirement board for the purpose of pay-
37 ing the pensions provided for in this act.

PAYMENT OF RETIREMENT ALLOWANCES.

1 SECTION 6. (1) Any member of the retirement association
2 who shall have taught in the public schools for at least thirty
3 school years, and who shall have made regular payments to the
4 annuity fund as provided in this act for not less than thirty school
5 years, may, on attaining the age of sixty-five, elect to retire from
6 service in the public schools; or, if incapacitated, may be retired
7 by the school committee of the city or town in which he is at that
8 time employed, at the discretion of the school committee.

9 (2) Any member of the retirement association who shall have
10 taught in the public schools for at least thirty school years, and
11 who shall have made regular payments to the annuity fund as
12 provided in this act for not less than thirty school years, shall,
13 on attaining the age of seventy, be retired from service in the
14 public schools.

15 (3) Any member of the retirement association electing or re-
16 quired to retire from service in the public schools under the pro-
17 visions of this act shall receive in quarterly instalments from the
18 annuity fund during the remainder of his life after retirement
19 the annuity to which his entire contributions to such fund, together
20 with regular interest thereon, shall entitle him according to the
21 annuity tables of the retirement board.

22 (4) Any member of the retirement association receiving an
23 annuity as provided in this act shall receive a pension, equal in
24 amount to his annuity, to be paid from the pension fund as di-
25 rected by the retirement board; *provided*, that no pension shall
26 in any one year exceed five hundred dollars.

WITHDRAWAL AND REINSTATEMENT.

1 SECTION 7. (1) Any member of the retirement association
2 withdrawing from service in the public schools before completing
3 thirty years of service therein shall receive from the annuity fund
4 all amounts contributed as assessments, together with regular
5 interest thereon, in the manner hereinafter provided.

6 (2) If such withdrawal shall take place before the completion
7 of ten years of service in the public schools, the total amount
8 to which such member is entitled as determined by the retirement
9 board under the provisions of this act shall be paid to him in four
10 annual instalments.

11 (3) If such withdrawal shall take place after ten years of service
12 the amount so refunded shall be in the form of such annuity for
13 life based on the contributions of such member, together with
14 regular interest thereon, as may be determined by the retirement
15 board according to its annuity tables, or in four annual instal-
16 ments, as such member may elect.

17 (4) If a member of the association retiring and receiving pay-
18 ments in accordance with paragraphs numbered (2) and (3) of
19 this section, shall die before the amount of such payments equals
20 the amount of his contributions to the annuity fund with regular
21 interest, the difference between the amount of such payments
22 and the amount of his contributions with regular interest shall
23 be paid to his legal representatives.

24 (5) Any member of the retirement association who shall have
25 withdrawn from service in the public schools shall, on being re-
26 employed in the public schools, be reinstated in the retirement
27 association in accordance with such plans for reinstatement as
28 the retirement board shall adopt.

29 (6) If a member of the retirement association shall die before
30 having completed thirty years of service in the public schools
31 and no payments having been made as specified in paragraph
32 numbered (4) of this section, the full amount of his contributions
33 to the annuity fund with regular interest shall be paid to his legal
34 representatives.

TAXATION, ATTACHMENTS AND ASSIGNMENTS.

1 SECTION 8. That portion of the salary or wages of a member
2 deducted or to be deducted under this act, the right of a member
3 to an annuity or pension, and all his rights in the funds of the
4 retirement system shall be exempt from taxation, and from the
5 operation of any laws relating to bankruptcy or insolvency, and
6 shall not be attached or taken upon execution or other process
7 of any court. No assignment of any right in or to said funds
8 shall be valid. The funds of the retirement system, so far as they
9 are invested in personal property, shall be exempt from taxation.

DUTIES OF THE SCHOOL COMMITTEE.

1 SECTION 9. (1) The school committee of each town and city
2 in the commonwealth shall before employing in any teaching
3 position any person to whom this act may apply notify such per-
4 son of his duties and obligations under this act as a condition
5 of his employment.

6 (2) On or before October first of each year the school com-
7 mittee of each town and city in the commonwealth shall certify
8 to the retirement board the names of all teachers to whom this
9 act applies.

10 (3) The school committee of each town and city in the com-
11 monwealth shall notify the retirement board of the employment
12 of new teachers, removals, withdrawals, changes in salary of
13 teachers, within ten days after such employment, removal, with-
14 drawal or change in salary.

15 (4) Under the direction of the retirement board the school
16 committee of each town or city in the commonwealth shall furnish
17 such other information as the board may require relevant to the
18 discharge of the duties of the board.

19 (5) The school committee of each town and city, in the com-
20 monwealth shall, as directed by the retirement board, deduct
21 from the amount of the salary due each teacher employed in the
22 public schools of such city or town such amounts as are due as
23 contributions to the annuity fund as prescribed in this act, and
24 shall send to the treasurer of said town or city a statement as
25 voucher for such deductions, and shall send a duplicate statement
26 to the secretary of the retirement board.

27 (6) The school committee of each town and city in the common-
28 wealth shall keep such records as the retirement board may require.

DUTIES OF BOARDS OF TRUSTEES.

1 SECTION 10. In administering this act for teachers in schools
2 conducted in accordance with chapter four hundred and seventy-
3 one of the acts of the year nineteen hundred and eleven, the boards
4 of trustees of said schools are hereby authorized and required to
5 perform all the duties prescribed for school committees under
6 this act.

CUSTODY AND INVESTMENT OF FUNDS.

1 SECTION 11. (1) The treasurer of each town or city in the
2 commonwealth on receipt from the school committee or board
3 of trustees of the voucher for deductions from the teachers' salaries
4 provided for in section nine shall transmit monthly the amounts
5 specified in such voucher to the treasurer of the commonwealth.

6 (2) The treasurer of the commonwealth shall send to the secre-
7 tary of the retirement board monthly, a statement of all money
8 transmitted to him by the treasurers of the different towns and
9 cities under the provision of paragraph (1) of this section.

10 (3) All funds of the retirement system shall be in custody and
11 charge of the treasurer of the commonwealth and the treasurer
12 shall invest such funds as are not required for current disburse-
13 ments in accordance with the laws of the commonwealth govern-
14 ing the investment of funds of savings banks. He may, when-
15 ever he sells securities, deliver the securities so sold upon receiving
16 the proceeds thereof, and may execute any or all documents neces-
17 sary to transfer the title thereto.

18 (4) The treasurer of the commonwealth shall make such pay-
19 ments to members of the retirement association from the annuity
20 fund and pension fund as the retirement board shall order to be
21 paid in accordance with sections six and seven of this act.

22 (5) On or before the third Wednesday in January, the treasurer
23 of the commonwealth shall file with the insurance commissioner
24 for the commonwealth, and with the secretary of the retirement
25 board, a sworn statement exhibiting the financial condition of
26 the retirement system on the thirty-first day of the preceding
27 December and its financial transactions for the year ending at
28 such date. Such statement shall be in the form prescribed by the
29 retirement board and approved by the insurance commissioner.

MEMBERSHIP IN OTHER RETIREMENT ASSOCIATIONS.

1 SECTION 12. No member of the retirement association shall
2 be eligible to participation in the benefits of any other teachers'
3 retirement system supported in whole or in part by funds raised
4 by taxation.

JURISDICTION OF COURT.

1 SECTION 13. The superior court shall have jurisdiction in
2 equity upon petition of the insurance commissioner or of any
3 interested party to compel the observance and restrain the viola-
4 tion of this act, and of the rules and regulations established by
5 the retirement board hereunder.

1 SECTION 14. This act shall take effect upon its passage.

APPENDIX B.

TABLE 1.—PENSIONS PAID TO TEACHERS OF ELEMENTARY SCHOOLS IN EUROPE.

[Bureau of Education Report, 1902, pp. 2370 and 2371.]

COUNTRIES OR STATES.	Paid by State or Community.	Dues paid by Teachers, Per Cent. of Salary.	Pension may begin after (Years)	Minimum Amount paid, Per Cent. of Last Salary.	Retirement takes Place after (Years)	Maximum Amount paid, Per Cent. of Last Salary.
German Empire:—						
Prussia, . . .	Both, . . .	None, . .	10	25	45	75 per cent.
Bavaria, . . .	Community, .	Yes, ¹ . .	5	25	45	75 per cent.
Wurtemberg, . . .	State, . . .	None, . .	10	40	45	85 per cent.
Saxony, . . .	Both, . . .	None, . .	10	30	40	80 per cent.
Baden, . . .	Both, . . .	None, . .	10	30	45	75 per cent.
Hesse, . . .	Both, . . .	None, . .	10	45	45	100 per cent.
Mecklenburg-Schwerin, .	Communities, .	None, . .	20	— ²	50	90 per cent.
Mecklenburg-Strelitz, .	Crown, . . .	None, . .	— ³	— ³	— ³	— ³
Oldenburg, . . .	State and community.	2 per cent., .	10	40	45	80 per cent.
Saxe-Weimar, . . .	Both, . . .	None, . .	(?)	(?)	37	80 per cent.
Brunswick, . . .	Both, . . .	None, . .	5	33 $\frac{1}{2}$	50	100 per cent.
Anhalt, . . .	Both, . . .	None, . .	5	33 $\frac{1}{2}$	50	100 per cent.
Saxe-Altenburg, .	Both, . . .	None, . .	10	34	45	86 per cent.
Saxe-Coburg-Gotha, .	Both, . . .	None, . .	10	40	40	100 per cent.
Saxe-Meiningen, .	Both, . . .	None, . .	10	60	50	100 per cent.
Reuss (senior line), .	Both, . . .	2 per cent., .	10	40	45	80 per cent.
Reuss (junior line), .	Both, . . .	2 per cent., .	10	40	45	80 per cent.
Schwarzburg-Sondersh., .	Both, . . .	None, . .	10	40	48	80 per cent.
Schwarzburg-Rudolst., .	Both, . . .	None, . .	10	40	50	100 per cent.
Lippe-Detmold, . . .	Both, . . .	None, . .	10	40	45	80 per cent.
Schaumburg-Lippe, .	Both, . . .	None, . .	10	30	45	80 per cent.
Waldeck, . . .	Both, . . .	None, . .	10	33 $\frac{1}{2}$	45	66 $\frac{2}{3}$ per cent.
Bremen, . . .	Community, .	None, . .	10	40	45	80 per cent.
Lubeck, . . .	Community, .	None, . .	10	33 $\frac{1}{2}$	35	75 per cent.
Hamburg, . . .	Community, .	None, . .	10	40	40	80 per cent.
Alsace-Lorraine, . . .	State and community.	None, . .	10	25	40	75 per cent.
Austria, . . .	Both, . . .	— ⁴	10	33 $\frac{1}{2}$	40	100 per cent.
Hungary, . . .	Both, . . .	(?)	(?)	(?)	40	\$150-\$200.
Switzerland, . . .	— ⁵	—	—	—	—	—
Denmark, . . .	Both, . . .	(?)	10	10	45	66 $\frac{2}{3}$ per cent.
Norway, . . .	State, ⁶ . . .	—	—	—	—	—
Sweden, . . .	State, ⁶ . . .	None, . .	(?)	(?)	30	75 per cent.
Netherlands, . . .	State, ⁶ . . .	None, . .	(?)	(?)	40	66 $\frac{2}{3}$ per cent.
Belgium, . . .	Communities, .	3 per cent., .	12	(?)	30	(?)
France, . . .	State, . . .	None, . .	(?)	(?)	25	50 per cent.
Italy, . . .	State, ⁷ . . .	None, . .	(?)	(?)	30	(?)
Great Britain, . . .	State, . . .	\$15 + \$1.25 for each 10 per cent. of increase of salary.	10	— ⁸	35	\$100 for each year after 10 years of service.

¹ In Bavaria the dues paid by teachers vary considerably in the different parts of the Kingdom, i.e., between \$1.25 in central Franconia and \$25 in lower Palatinate. Also initiation fees are paid.

² Lowest amount of salary.

³ At pleasure of the Crown.

⁴ In some crown lands of Austria dues are paid by teachers.

⁵ In Switzerland the cantonal governments are, as a rule, opposed to pensioning teachers. Where it is done, it is the result of local agreement. The teachers themselves maintain annuity funds.

⁶ In Norway pensions are paid to all teachers, but each case is individually decided by Parliament.

⁷ In Italy the State pension fund is not large. Hence private annuity funds are numerous.

⁸ See last column.

GENERAL NOTES.—The foregoing statements have reference to men teachers. Women teachers are retired, on an average, ten years earlier, and their pensions amount to about 10 to 20 per cent. less than those of the men.

In most German States the communities (or the State) make a single relief payment if a teacher is disabled before he reaches the end of the tenth year of service, i.e., the lower age limit. The same practice prevails in Austria and a few other countries.

TABLE 2.—PENSIONS PAID TO TEACHERS OF SECONDARY SCHOOLS IN EUROPE.

COUNTRIES OR STATES.	Paid by State or Community.	Dues paid by Teachers, Per Cent. of Salary.	Pension begins after (Years)—	Minimum Amount paid Per Cent. of Last Salary.	Retirement takes Place after (Years)—	Maximum Amount paid, Per Cent. of Last Salary.
German Empire:—						
Prussia,	Both,	None,	10	25	40	75 per cent.
Bavaria,	Both,	None,	4	70	(?)	100 per cent.
Saxony,	Both,	None,	10	30	40	80 per cent.
Wurttemberg,	Both,	None,	10	40	— ¹	—
Baden,	Both,	None,	10	30	40	75 per cent.
Hesse,	Both,	None,	5	40	50	100 per cent.
Mecklenburg-Schwerin,	Both,	None,	20	50	50	90 per cent.
Saxe-Weimar,	Both,	None,	1	40	36	80 per cent.
Oldenburg,	Both,	None,	1	50	50	90 per cent.
Brunswick,	Both,	None,	3	33 $\frac{1}{2}$	50	100 per cent.
Saxe-Meiningen,	Both,	None,	1	45	40	75 per cent.
Saxe-Altenburg,	Both,	3 per cent.,	1	25	40	80 per cent.
Saxe-Coburg-Gotha,	Both,	1 per cent.,	1	40	40	100 per cent.
Anhalt,	Both,	None,	1	33 $\frac{1}{2}$	49	100 per cent.
Schwarzburg-Rudolst,	Both,	None,	1	40	36	80 per cent.
Schwarzburg-Sondersh,	Both,	None,	1	40	37	80 per cent.
Waldeck,	Both,	None,	1	33 $\frac{1}{2}$	26	66 $\frac{2}{3}$ per cent.
Reuss (senior line),	Both,	None,	1	40	37	80 per cent.
Reuss (junior line),	Both,	None,	1	40	45	80 per cent.
Schaumburg-Lippe,	Both,	None,	10	30	37	80 per cent.
Lippe-Detmold,	Both,	None,	1	40	37	80 per cent.
Lubeck,	Both,	None,	10	33 $\frac{1}{2}$	35	75 per cent.
Bremen,	Both,	None,	1	40	30	80 per cent.
Hamburg,	Both,	None,	1	40	50	100 per cent.
Alsace-Lorraine,	Both,	None,	10	25	40	75 per cent.
Austria,	Both,	None,	8	(?)	30	100 per cent.
Hungary,	Both,	None,	10	40	30	100 per cent.
Switzerland,	— ²	(?)	(?)	(?)	(?)	(?)
Denmark,	— ³	(?)	10	10	45	66 $\frac{2}{3}$ per cent.
Norway,	— ⁴	(?)	(?)	(?)	(?)	(?)
Sweden,	State,	None,	10	(?)	30	\$900.
Netherlands,	Both,	— ⁵	(?)	(?)	30	66 $\frac{2}{3}$ per cent.
Belgium,	State,	None,	(?)	(?)	30	66 $\frac{2}{3}$ per cent.
France,	State,	10 per cent.,	(?)	(?)	30	66 $\frac{2}{3}$ per cent.
Spain,	— ⁶	— ⁶	— ⁶	— ⁶	— ⁶	— ⁶
Portugal,	Both,	10 per cent.,	10	33 $\frac{1}{2}$	25	100 per cent.
Italy,	— ⁷	— ⁷	— ⁷	— ⁷	— ⁷	— ⁷
Greece, ⁸	State,	7 $\frac{1}{2}$ per cent.,	(?)	(?)	20	40 per cent.
Russia,	— ⁹	— ⁹	— ⁹	— ⁹	— ⁹	— ⁹
Great Britain,	— ¹⁰	— ¹⁰	— ¹⁰	— ¹⁰	— ¹⁰	— ¹⁰

¹ In Wurttemberg the pensions may reach 92 $\frac{1}{2}$ per cent. in cases where the salary is not higher than \$600. The rate of increase is 1 $\frac{1}{2}$ per cent.; as high as 85 per cent. with salaries over \$600. No pension can exceed \$1,500.

² The population is not favorably inclined to paying pensions to teachers or other civil officers. Where it is done, it is the result of local agreement.

³ In Denmark each case is decided by the minister of education, but usually according to the scheme indicated in the table.

⁴ Each case is decided by Parliament.

⁵ In the Netherlands the teacher pays one year's salary into the pension fund within the first five years of service.

⁶ In Spain the State pays two-fifths of salary for two years after twenty years of service; three-fifths of salary after twenty-five years, and four-fifths of salary after thirty-five years of service, but only for two years.

⁷ In Italy teachers may retire from service on account of ill health, and still draw one-half or three-fourths of their salaries, according to the length of service.

⁸ In Greece an addition of one-fiftieth of the salary is paid for each additional year of service, over and above the 40 per cent. paid after twenty years.

⁹ In Russia the pensions are not uniform; they range between 300 and 400 rubles after twenty-five years of service.

¹⁰ In Great Britain a few distinguished schools, such as Eton, pay pensions; the majority of secondary schools, being private institutions, do not pay pensions to teachers.

APPENDIX C.

COMPARATIVE TABLE OF STATE COMPULSORY INSURANCE SYSTEMS FOR TEACHERS IN THE UNITED STATES.

FEATURES COMPARED.	1902.		1903, 1906, 1907. NEW JERSEY.		1907. Rhode Island.		1908. Virginia.		1911. New York.	
	Maryland.	State Retirement Fund.	District Half-pay Pension Law. ¹			All including county and city superintendents.	All but superintendents.	None.	All including superintendents in cities and union free school districts.	None.
1. Membership: —	All including county and city superintendents.	All including county and city superintendents.	All including county and city superintendents.	All in schools supported wholly or in part by public moneys.	All in schools —	1. Supported wholly or in part by State. 2. And controlled by the State.				
(a) Teachers within public schools.										
(b) Teachers outside public schools.	All in normal schools,									
2. Beneficiaries descriptions of: —		No provision,	No provision,	No provision,	No provision,	60 years,	60 years,	60 years,	No provision,	No requirement.
(a) Age.	60 years,	20 years,	35 years,	35 years,	35 years,	1. 25 years,	1. 20 years if retired involuntarily for disability.	1. 20 years if retired involuntarily for disability.	15 years for complete participation.	15 years for complete participation.
(b) Service within the State.	25 years,					2. 15 years immediately preceding retirement.	2. 25 years if retirement be voluntary.	2. 25 years if retirement be voluntary.	9 years for partial participation.	9 years for partial participation.
(c) Total service,	25 years,	20 years,	35 years,	35 years,	35 years,		20 or 25 years as above,	20 or 25 years as above,	25 years for complete participation; 15 years for partial participation.	25 years for complete participation; 15 years for partial participation.

¹ The New Jersey district half-pay pension law is here posted as a compulsory State insurance scheme because by a State-wide rule applicable to all the districts it provides an old-age annuity for all the teachers of the State.

COMPARATIVE TABLE OF STATE COMPULSORY INSURANCE SYSTEMS FOR TEACHERS IN THE UNITED STATES — *Con.*

FEATURES COMPARED.	1902. Maryland.	1903, 1906, 1907. NEW JERSEY.		1907. Rhode Island.		1908. Virginia.		1911. New York.	
		State Retirement Fund.	District Half-pay Pension Law.						
2. Beneficiaries, descriptions of — <i>Con.</i> (d) Character of services.	Record must be without reproach.	No provision, . . .	No provision, . . .	Must have a certificate of qualification issued by or under the authority of the State Board of Education. No provision, . . .	Must have a certificate of qualification issued by or under the authority of the State Board of Education. No provision, . . .	1. Incapacitated if retired after 20 years of service. 2. No provision if voluntarily retired after 25 years.	1. Incapacitated if retired after 20 years of service. 2. No provision if voluntarily retired after 25 years.	No requirement if voluntarily retired after 25 years. Incapacitated if less than 25 years of service.	No provision.
(e) Condition of beneficiary.	Incapacitated, . . .	Incapacitated, . . .	No provision, . . .	50 per cent. of average annual salary for 5 years preceding retirement. \$250 to \$650, . . .	50 per cent. of average annual salary during last 5 years of service. No provision, . . .	1. No minimum and maximum. \$300 (c) Teachers, \$400. (b) Principals, \$500. Quarterly, . . .	1. No minimum and maximum. \$300 (c) Teachers, \$400. (b) Principals, \$500. Quarterly, . . .	One-half annual salary at time of retirement.	One-half annual salary.
3. Annuity: — (a) Amount of,	\$200, . . .	\$200, . . .	No provision, . . .	50 per cent. of average annual salary for 5 years preceding retirement. \$250 to \$650, . . .	50 per cent. of average annual salary during last 5 years of service. No provision, . . .	1. No minimum and maximum. \$300 (c) Teachers, \$400. (b) Principals, \$500. Quarterly, . . .	1. No minimum and maximum. \$300 (c) Teachers, \$400. (b) Principals, \$500. Quarterly, . . .	No minimum. Maximum: — (c) Teachers, \$400. (b) Principals, \$500. Quarterly, . . .	No minimum. Maximum not over \$600.
(b) Minimum and maximum.									
(c) Method of payment.	Quarterly, . . .	Quarterly, . . .	Quarterly, . . .	Monthly, in regular teachers' pay-roll.	Annually, . . .	Annually, . . .	Annually, . . .	Quarterly, . . .	Quarterly.
4. Support of insurance: — (a) By teachers,	None, . . .	None, . . .	None, . . .	1. New teachers, 2 per cent. of salary. 1 per cent. of salary.	None, . . .	None, . . .	None, . . .	1 per cent. of salary, . . .	1 per cent. of salary.

2. Old teachers, 2 to 3 per cent. on a sliding scale based on years of service.	All from State treasury.	Local city or district tuition fund.	An amount equal to contributions of teacher.
3. Maximum assessment \$50 yearly, \$1,000 in 20 years.	None.	None.	Annual appropriation of \$10,000.
1. Supplies meeting place.	None.	None.	Annual appropriation of \$5,000 if necessary.
2. Necessary clerical hire and the expenses.	None.	None.	1. Donations, gifts, legacies, etc.
1. Donations, gifts, legacies, etc.	None.	None.	2. Interest on invested funds.
2. Interest on invested funds.	None.	None.	None.
5. Management: —	None.	None.	Three appointed by Commissioner of Education (1 superintendent of schools, 1 principal, 1 teacher).
(a) Representation of teachers.	None.	None.	Commissioner appoints 2.
6. Risks, protection against, of: —	None.	None.	State Board of Education.
(a) Old age.	None.	None.	State Board of Education.
(b) Disability.	None.	None.	State Board of Education.
7. Withdrawal equity.	None.	None.	State Board of Education.
8. Protection of teachers.	None.	None.	State Board of Education.
9. Protection of students.	None.	None.	State Board of Education.

¹ Annual appropriation thereafter.

APPENDIX D.

PENSION SYSTEMS OF THE PUBLIC

STATE OR COMMUNITY AND YEAR ESTABLISHED.	Paid by State or Community.	Paid in Part by State.	Dues paid by Teachers, Per Cent. of Salary.	PENSION BEGINS —	
				With Disability (Years).	Without Disability (Years).
California (all cities), .	Community, .	No, .	Yes, ¹	15 ^{2, 3, 4}	30
San Francisco (1897). ⁵	Community, .	No, .	\$12 per year day and \$6 for evening.	15 ^{2, 3, 4}	30 ⁷
Colorado: Denver (1909).	Community, .	No, .	None,	10	25 ⁹
Connecticut: New Haven (1911).	Community, .	No, .	1 per cent. less than 10 years; 2 per cent. over 10 years.	15	30
Illinois (cities over 100,000). Chicago (1895), .	Community, .	No, .	\$5 to \$30, ¹	15	25
Indiana: Indianapolis (1907).	Community, ¹² .	No, .	1 per cent. for 15 years and under; maximum \$10; 2 per cent. over 15 years; maximum \$20.	15	25 ¹³
Kentucky: Louisville (1912).	Community, .	No, .	1.2 per cent. of salary,	20	30
Maryland (1904), ¹⁵ .	State, .	Wholly, .	None,	25	25
Massachusetts, except Boston (1908). ¹⁶	Community, .	No, .	None,	25	25 ¹⁷
Boston (1908): — Pension fund, .	Community, .	No, .	None,	30 ¹¹	30 ^{2, 18, 19}
Teachers' retirement fund (1900).	Community, ²⁰ .	No, .	\$18 per year,	2 ¹¹	30 ²¹
Lynn, ¹⁶ . . .	Community, .	No, .	None,	25	25 ¹⁷
Michigan: Detroit (1895).	Community, ²³ .	No, .	1 per cent., ²⁴	20 ²⁵	25-30 ¹⁹

¹ Act mandatory upon all teachers entering service after it takes effect.² Fifteen years' teaching in municipality.³ Proportionate annuity to incapacitated teachers who have been contributors for at least five years.⁴ Must have paid in at least five years' dues.⁵ A permanent fund of \$50,000.⁶ Fund administered by commission (mayor, superintendent and county treasurer, who report biannually). The retirement commission consists of five teachers, one at least from principals, one from grammar section, elected for three years.⁷ With 30 years' assessments.⁸ A proportionate annuity between 15 and 25 years.⁹ Three-fifths of service within municipality or district.¹⁰ Fund administered by Board of Education, two members elected by Board two teachers elected by contributors, and the superintendent of schools *ex officio*.¹¹ A proportionate annuity under 30 years with disability.¹² For cities of 100,000 or more inhabitants.

APPENDIX D.

SCHOOLS IN THE UNITED STATES.

Authorized by State Law.	Minimum Sum paid.	Maximum Sum paid.	Other Sources of Revenue.	Refunds.
Yes, .	\$360 in counties, \$600 in consolidated cities and counties.	\$360 in counties, \$600 in consolidated cities and counties.	Fines, donations and miscellaneous sources. ¹³	None.
Yes, .	\$600,	\$600, ⁸	Gifts, legacies and not less than one-half the sums forfeited by teachers' absences.	None.
Yes, .	As Board determines,	\$480,	Tax of 1-10 of 1 mill; gifts.	None.
Yes, .	\$400,	\$800,	Appropriation by school board.	- - -
Yes, .	\$400,	\$400,	Gifts, legacies, . . .	Resigning, one-half; discharged, total.
Yes, .	\$400,	\$400,	Gifts, legacies, interest on school fund.	Resigning, one-half; discharged, total.
Yes, .	\$15 for each year of service.	\$600,	1 cent in \$100 taxable property; donations; interest on fund. ¹⁴	Retiring teacher receives one-half amount paid into fund; legatee, one-half compensation.
Yes, .	\$200,	\$400,	City appropriation, gifts, legacies.	One-half amount paid in.
Yes, .	\$200,	\$200,	None,	- - -
Yes, .	Not exceeding one-half salary upon retirement.	\$500,	Gifts, city fund, direct taxation, absences, etc.	- - -
Yes, .	\$312,	\$600,	Interest, on annuity fund, 5 cents on \$1,000.	- - -
-	\$180, ²²	\$180, ²²	Salary of custodian and clerk hire, \$1,500, paid by school committee.	Resigning, one-half after 2 years' membership.
Yes, .	Not exceeding one-half salary on retirement.	\$500,	Gifts, city fund, direct taxation, absence, etc.	- - -
Yes, .	\$400,	\$400,	Gifts, legacies, money appropriated by the Board or raised by approval of the common council, fees of nonresidents, balance from teachers' salaries.	Resigning, one-half.

¹³ Four-fifths time teaching within city.¹⁴ Any unexpended balance of the annuity fund is transferred to permanent fund annually.¹⁵ Must be 60 years old, of exemplary character and without means of support.¹⁶ Also Nahant, Winchester, Brookline, Pittsfield, Wellesley, Marion.¹⁷ If 60 years old.¹⁸ Board may retire those 65 years old.¹⁹ Two-thirds service in city.²⁰ Salary of custodian of fund and clerk hire, \$1,500; paid by school committee.²¹ One-third service in city.²² Total one-third salary within these limits.²³ The board of trustees consists of the president of the Board of Education, the president *pro tempore* of the Board of Education, the chairman of committee on teachers and schools, the superintendent of city schools, and three teachers in city schools elected by ballot from those contributing to retirement fund, as the Board shall prescribe, for a term of three years, one teacher being elected each year.²⁴ Limit, \$1,000.²⁵ Ten years of which in city.

PENSION SYSTEMS OF THE PUBLIC

STATE OR COMMUNITY AND YEAR ESTABLISHED.	Paid by State or Community.	Paid in Part by State.	Dues paid by Teachers, Per Cent. of Salary.	PENSION BEGINS —	
				With Disability (Years).	Without Disability (Years).
Minnesota:— Duluth (1910), ¹	Community, .	No, . .	\$10 to \$25, . . .	20	30
Minneapolis (1909), .	Community, .	No, . .	5 years and under, \$10; 5 to 10 years, \$20; 10 to 30 years, \$25. ²	2	20 ³
St. Paul (1909), .	Community, .	No, . .	1 per cent.; maximum, \$25.	5 ⁴	25 ⁵
Nebraska: Omaha (1909).	Community, .	No, . .	1 to 1½ per cent., ⁷ .	25 ⁶	35-40 ⁶
New Jersey (1896), entire State:— Teachers' retirement fund.	Community, .	No, . .	2 to 3 per cent., ^{8,9} .	20	25-35 ¹⁰
New Jersey (1903) entire State:— Teachers' pension fund.	Community, .	No, . .	None, . . .	20 ¹³	35 ¹³
New York (1911), .	State, . .	Yes, .	1 per cent. of salary, .	15	25
Albany (1907), .	Community, .	No, . .	1 per cent., . .	20	30 ¹¹
Buffalo (1896), .	Community, .	No, . .	1 to 2 per cent., . .	24-28	30-35 ^{14,15}
Elmira (1907), .	Community, .	No, . .	1 per cent.; maximum, \$12.	—	30 ¹⁶
Greater New York (1894).	Community, .	No, . .	1 per cent., ¹⁷ . .	20 ^{8,18}	30 ^{5,18}
Rochester (1905), .	Community, .	No, . .	2 per cent., . .	25-20 ^{15,18}	35-30 ^{15,18}
Schenectady (1907), .	Community, .	No, . .	1½ per cent., maximum.	25-20 ^{15,18}	35-30 ^{15,18}
Syracuse (1897), .	Community, .	No, . .	1 per cent., . .	—	35-30 ^{15,18}
Troy (1906), . .	Community, .	No, . .	1 per cent., . .	—	37

¹ Cities of 10,000 inhabitants.² Ten years of which in city.³ Any contributions unpaid are paid in lump sum or deducted from annuity.⁴ Proportionate annuity to incapacitated teachers who have been contributors for at least five years.⁵ Board may retire those 65 years old.⁶ Twenty years within city.⁷ Payments cease when \$500 are paid in.⁸ Fund administered by Board of Education, two members elected by Board, two teachers elected by contributors, and the superintendent of schools *ex officio*.⁹ Maximum, \$50.

SCHOOLS IN THE UNITED STATES — *Con.*

Authorized by State Law.	Minimum Sum paid.	Maximum Sum paid.	Other Sources of Revenue.	Refunds.
Yes, .	\$333.33, . . .	\$500, . . .	One-tenth mill on all taxable property gifts.	Discharge, all payments; resigning, one-half payment.
Yes, .	\$16.66 $\frac{2}{3}$ for each year of service.	\$500, . . .	One-tenth mill on taxable property; interest on fund.	Discharged, total; resigning, one-half; all to legatee.
Yes, .	\$480, *	\$480, . . .	One-tenth mill on taxable property.	Not specified.
Yes, .	\$500, . . .	\$500, . . .	Gifts; 1 $\frac{1}{2}$ times teachers' contributions and not less than required sum; interest on fund.	None.
Yes, .	\$250, ¹¹ Six-tenths of average annual pay for last 5 years.	\$650, ¹² Six-tenths of average annual pay for last 5 years.	(1) Donations; (2) 1 per cent. of annuities; (3) interest on annuity fund. State pays administration expenses.	None.
Yes, .	One-half of average annual salary for last 5 years.	One-half of average annual salary for last 5 years.	Board of education of city pays all annuities.	— —
Yes, .	One-half pay at retirement not to exceed \$600.	One-half pay at retirement not to exceed \$600.	State appropriation, gifts, legacies.	No provision.
Yes, .	One-half average annual pay for last 5 years.	\$600, . . .	3 per cent. excise moneys; interest; teachers' absences; donations.	All if discharged.
Yes, .	One-half pay allowed on retirement.	\$800, . . .	Appropriation not over amount paid by teachers; donations; interest.	All if discharged.
Yes, .	One-half average annual pay last 5 years.	\$400, . . .	Appropriation, \$2,000 per year; interest.	Three-fourths.
Yes, .	\$600, one-half salary upon retirement.	\$1,500 to \$2,000, ¹³	(1) Fines, deductions; (2) legacies, gifts; (3) 5 per cent. annually of all excise moneys, or fees from liquor licenses.	All if discharged.
Yes, .	Half of pay at retirement.	\$800, . . .	An amount equal to teachers' contributions, from Board; donations; interest.	All if discharged.
Yes, .	\$350, . . .	\$450, . . .	Amount equal to 1 $\frac{1}{2}$ per cent. teachers' pay roll; from liquor tax.	Three-fourths if discharged.
Yes, .	One-third pay at retirement.	\$800, . . .	Deductions teachers' absences; donations; interest.	All if discharged.
—	One-half pay at retirement.	\$800, . . .	5 per cent. excise; deductions teachers' absences; donations; interest; balance annually from salaries.	All if discharged.

¹⁰ Act mandatory upon all teachers entering service after it takes effect.¹¹ Women, 20; men, 25.¹² Must have paid in at least the sum of one annuity.¹³ Twenty years within State.¹⁴ Four-fifths time teaching within city.¹⁵ Women less number of years than men.¹⁶ If 65 years old.¹⁷ Maximum, \$40.¹⁸ Fifteen years' teaching in municipality.¹⁹ \$1,500 principal; \$2,000 supervisor.

PENSION SYSTEMS OF THE PUBLIC

STATE OR COMMUNITY AND YEAR ESTABLISHED.	Paid by State or Community.	Paid in Part by State.	Dues paid by Teachers, Per Cent. of Salary.	PENSION BEGINS —	
				With Disability (Years).	Without Disability (Years).
New York:— <i>Con.</i> Yonkers (1908), .	Community, .	No, .	1 per cent., . .	—	30-25 ¹
Ohio,	Community, .	No, .	\$20 per annum, ² . .	20 ³	30 ⁴
Cincinnati (1897), .	Community, .	No, .	\$20 per year, . .	20 ³	30 ⁵
Cleveland (1906), .	Community, .	No, .	\$20 per year, . .	20 ³	30 ⁶
Columbus (1909), .	Community, .	No, .	\$20 per year, . .	20 ³	30 ⁷
Springfield (1908), .	Community, .	No, .	\$20 per year, . .	20 ³	30 ⁸
Pennsylvania: Harrisburg (1908).	Community, .	No, .	2 to 3 per cent., ⁴ . .	5 ⁵	30 ⁶
Philadelphia, . .	Community, .	No, .	1 per cent. first 10 years; afterwards, 2 per cent. ⁴	30 ^{7-5⁵}	30 ⁸
Pittsburg (1908), .	Community, .	No, .	\$20 per year, . .	10 ⁹	30 ¹⁰
Rhode Island, entire State.	State, . .	Wholly, .	None, . . .	35 ^{8, 11}	35 ^{8, 11}
Providence (1897), .	No,	No, .	1 per cent., maximum, \$12.	10	35-30 ¹
South Carolina: Charleston.	Community, .	No, .	None, . . .	20	25 ¹²
Utah: Salt Lake City (1909).	No,	No, .	1 per cent., ¹³ . .	30	30 ^{7, 8, 14}
Vermont (1910), . .	Community, .	No, .	None, . . .	—	30 ¹⁵
Virginia: entire State (1908).	State, . .	Yes, .	1 per cent. of salary, .	20	30 ^{16, 14}
Wisconsin: Milwaukee (1909). ¹⁶	Community, .	No, .	\$24 per year, . .	25 ¹⁷	25 ¹⁸

¹ Women less number of years than men.² Voluntary.³ Three-fifths of service within municipality or district.⁴ Maximum, \$50.⁵ Proportionate annuity to incapacitated teachers who have been contributors for at least five years.⁶ Twenty years within city.⁷ Ten years of which in city.⁸ If 60 years old.⁹ Proportionate annuity.

SCHOOLS IN THE UNITED STATES — *Con.*

Authorized by State Law.	Minimum Sum paid.	Maximum Sum paid.	Other Sources of Revenue.	Refunds.
Yes, .	One-half pay at time of retirement.	\$800,	5 per cent. excises; deductions teachers' absences; donations; interest.	All if discharged.
Yes, .	\$200,	\$300,	Deductions for teachers' absences, fines, assessments of teachers, and from 1 to 2 per cent. of amount of taxation.	Discharge, one-half; resigning, one-half; legatee, one-half.
Yes, .	\$200,	\$300,	Deductions for teachers' absences, fines, assessments of teachers, and from 1 to 2 per cent. of amount of taxation.	Resigning, one-half; legatee, one-half.
Yes, .	\$200,	\$300,	1 per cent. of school tax; interest.	Resigning, one-half; legatee, one-half.
Yes, .	\$200,	\$300,	1 per cent. of school tax; interest.	Resigning, one-half; legatee, one-half.
Yes, .	\$200,	\$300,	1 to 2 per cent. school tax; interest.	Resigning, one-half; legatee, one-half.
Yes, .	One-half pay at retirement.	\$800,	Amount from Board equal to teachers' contributions.	None.
Yes, .	\$400,	\$800,	Sum from Board equals teachers' contributions.	All if discharged.
Yes, .	\$400,	\$400,	Donations; interest, .	Resigning, one-half; legatee, one-half.
Yes, .	One-half average annual salary for 5 years preceding.	\$500,	None,	— —
Yes, .	Half pay at retirement.	\$600,	Donations; entertainments; interest.	None.
Yes, .	One-half salary on retirement.	\$250,	10 per cent. for first 5 years, then 4 per cent. of school tax.	None.
Yes, .	One-half average annual salary for 5 years preceding.	None, ⁵	Deductions for absences; gifts, bequests, donations, legacies.	Refunds all to legatee; resigning receives one-half of contributions; discharged receives total amount.
Yes, .	As voted,	As voted,	School money,	None.
Yes, .	One-half average annual salary for 5 years preceding.	\$500,	Legacies; bequests, .	None.
Yes, .	\$400,	\$400,	1 per cent. of school tax,	Resigning teacher receives total contribution; discharged receives total amounts; legatee receives total amount.

¹⁰ Fifteen years' teaching in municipality.¹¹ Twenty-five years within State; 15 years immediately preceding within State.¹² Board may retire those 65 years old.¹³ Act mandatory upon all teachers entering service after it takes effect.¹⁴ With 30 years' assessments.¹⁵ If 50 years (women); 58 years (men).¹⁶ Cities of 50,000 inhabitants or more.¹⁷ A proportionate annuity between 15 and 25 years.¹⁸ If 65 years old.

APPENDIX E.

TABLE I.—WHOLE STATE.

TABLE 2. — BOSTON.

SALARY.	AGE (YEARS).										TOTAL.				
	16-20.	21-25.	26-30.	31-35.	36-40.	41-45.	46-50.	51-55.	56-60.	61-65.	66-70.	71+.	In Salary Group.	Men.	Women.
\$0- \$350.															
350- 450.															
450- 550.															
550- 650.															
650- 750.															
750- 850.															
850- 950.															
950-1,050.															
1,050-1,150.															
1,150-1,250.															
1,250-1,350.															
1,350-1,450.															
1,450-2,150.															
2,150-2,450.															
2,450-2,750.															
2,750-3,050.															
3,050-3,350.															
3,350-3,650.															
3,650+.															
Total by age groups,	6	323	453	471	420	343	247	214	129	87	43	-	2,736	354	2,382

TABLE 3.—CITIES OUTSIDE BOSTON.

SALARY.	AGE (YEARS).							TOTAL.								
	16-20.	21-25.	26-30.	31-35.	36-40.	41-45.	46-50.	51-55.	56-60.	61-65.	66-70.	71+.	In Salary Group.	Men.	Women.	
\$0- \$350.	5	17	11	3	3	4	4	7	3	7	3	4	40	—	40	
350- 450.	15	92	19	8	2	19	13	7	3	3	1	1	144	—	144	
450- 550.	12	387	122	64	21	65	42	37	30	9	4	4	649	2	647	
550- 650.	2	233	289	168	122	394	104	203	154	82	38	19	1,006	2	1,004	
650- 750.	1	156	714	632	426	104	41	85	57	25	14	15	2,725	11	2,714	
750- 850.	18	135	172	134	126	172	134	90	62	34	27	18	11	760	11	549
850- 950.	1	7	55	90	62	34	28	28	24	18	8	3	303	17	286	
950-1,050.	7	37	34	22	19	7	4	7	4	8	3	1	326	38	198	
1,050-1,150.	3	10	22	19	11	18	5	3	4	4	1	1	107	22	85	
1,150-1,250.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
1,250-1,350.	1	21	44	24	22	19	15	22	19	12	5	7	1	1	51	
1,350-1,450.	6	17	24	13	15	17	11	14	12	4	3	2	107	100	7	
1,450-2,450.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
2,450-2,750.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
2,750-3,050.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
3,050-3,350.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
3,350-3,650.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
3,650+.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total by age groups,	36	921	1,438	1,293	902	756	476	376	193	108	56	23	6,488	514	5,974	

TABLE 4.—TOWNS OF 5,000 INHABITANTS AND UPWARDS.

TABLE 5.—TOWNS OF LESS THAN 5,000 INHABITANTS.

SALARY.	AGE (YEARS).							TOTAL.							
	16-20.	21-25.	26-30.	31-35.	36-40.	41-45.	46-50.	51-55.	56-60.	61-65.	66-70.	71+.	In Salary Group.	Men.	Women.
\$0- \$350,	53	146	20	13	17	7	4	8	7	10	1	1	270	7	263
350- 450,	62	528	190	110	75	53	30	19	12	10	1	1	1,085	8	1,077
450- 550,	6	199	125	60	54	32	34	4	3	4	3	3	546	15	531
550- 650,	-	71	76	38	8	15	7	10	7	7	2	2	234	13	221
650- 750,	-	18	28	15	5	5	6	1	1	-	-	-	78	14	64
750- 850,	-	14	17	11	7	3	1	2	1	2	2	2	55	15	40
850- 950,	-	8	13	6	5	2	2	2	2	2	2	2	36	24	12
950-1,050,	-	5	5	9	6	4	1	1	2	1	1	1	27	7	7
1,050-1,150,	-	5	5	5	2	1	1	1	1	1	1	1	19	17	2
1,150-1,250,	-	5	7	3	2	1	2	1	1	1	1	1	20	20	-
1,250-1,350,	-	-	7	6	4	2	2	2	2	1	1	1	21	21	-
1,350-1,450,	-	-	1	6	1	1	1	1	1	1	1	1	9	8	1
1,450-2,450,	-	-	-	1	1	1	1	1	1	1	1	1	3	3	-
2,450-2,750,	-	-	-	-	1	1	1	1	1	1	1	1	1	1	-
2,750-3,050,	-	-	-	-	-	1	1	1	1	1	1	1	-	-	-
3,050-3,350,	-	-	-	-	-	-	1	1	1	1	1	1	-	-	-
3,350-3,650,	-	-	-	-	-	-	-	1	1	1	1	1	-	-	-
3,650+,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total by age groups,	121	995	498	277	186	125	90	60	33	17	5	5	2,404	186	2,218

APPENDIX F.

DESCRIPTION OF THE RETIREMENT SYSTEM FOR MASSACHUSETTS STATE EMPLOYEES.¹

The essential provisions of the retirement system may be compactly summed up as follows:—

The plan is based on the principle of joint contributions by employees and Commonwealth. The employees are to be assessed regularly on their wages and salaries at a rate of not less than 1 nor more than 5 per cent., to provide a fund out of which annuities shall be paid to those retiring from the service. Exception is made, however, in cases of employees receiving more than \$30 per week; such employees are not to be assessed on the excess above that amount, but simply on a flat basis of \$30 per week. The annuity received by each employee retired under the provisions of the act is such an amount as his contributions during his period of service accumulated, with interest at 3 per cent. compounded semiannually, will provide for him, according to actuarial computation. In addition to the annuity, the retired employee receives in each case a pension of equivalent amount paid from the State treasury. In no case is the total allowance, including annuity and pension, to be less than \$200 per year, or more than one-half of the average wages or salary during the ten years prior to retirement.

The age of voluntary retirement is sixty years, that is, an employee upon reaching that age may retire or may be retired by the Board entrusted with the administration of the act. The age of compulsory retirement is seventy years, that is, an employee upon reaching that age must retire or be retired. An additional requirement of fifteen years' continuous service is laid down for employees retiring or retired at the age of sixty. It should be noted, however, that employees who had reached the age of sixty when the retirement system was established, and also employees who had reached the age of fifty-five years at that date and became members of the association, may be retired without having completed the otherwise required service period of fifteen years. Employees who had reached the age of fifty-five and did not join the association may be retired with the minimum allowance of \$200 prescribed in the act. Furthermore, employees who had served thirty-five years continuously may retire or be retired at any age.

¹ From a document published by the State Treasurer.

In addition to pensions for subsequent service, pensions for prior service are provided, that is, employees in the service when the retirement system is established are to receive, in addition to the allowance which they may secure through contributions to the annuity fund and the pension of corresponding amount paid from the State treasury, an extra allowance equal to the amount of the annuity that they might have earned for themselves had the system been in operation when they entered the service, and had they made contributions to the retirement fund from that date to the time of its establishment.

Participation in the system is optional for present employees. It is obligatory for future employees, those entering the service after the establishment of the system, with the exception of officers elected by popular vote, employees eligible for pensions under other acts of the Legislature, employees who serve only for short terms or on part time, and employees over fifty-five years of age at the time of entering the service.

Provision is made for refunding the contributions of employees who withdraw from the service for any reason without becoming entitled to a retirement allowance. In case a member of the association leaves the employment for any cause other than death, before becoming entitled to a pension, there shall be refunded to him all the money that has been paid in by him, with interest at 3 per cent. In case a member dies before becoming entitled to a pension, there shall be paid to his legal representatives all the money that has been paid in by him, with such interest as may have been earned on the deposit.

The administration of the system is entrusted to a Board of Retirement, consisting of the State Treasurer, another member chosen by the retirement association, composed of participating employees, and a third member selected by the first two, or appointed by the Governor in case of their failure to agree. The insurance department of the Commonwealth is given powers of supervision with reference to the actuarial and administrative features of the system.

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